

The TEE Center

TRADE, EXHIBIT & EVENT



TEE Center Committee

Augusta Commission

October 22, 2009

Overview

- Trade and Exhibit Center
- The CVB's role
- Review the project timeline
- The Feasibility Study
- Economic Impact

Timeline

- 2001 – Identified a need
- 2002 – Feasibility study completed
- 2003 – first presented to Commission
- 2004 – requested \$25m ++ (\$27m)
- 2005 – Commission approved \$20m

Timeline

- 2006 – Voters approved \$20m SPLOST
- 2006 – Task Force and validation study
- 2006 – Bonded to fast track project
- 2006 – DDA agreed to bond \$5m for parking
- 2007 – site approved by Augusta Commission
- 2007 – management group approved by Commission

Timeline

- 2008 – detailed project manager and architectural estimated cost = \$38 million
- 2008 – architect approved; CM at risk
- 2009 – center and parking deck included in Augusta Tomorrow's Master Plan
- 2009 – Master plan approved
- 2009 – Administrator requests funds to complete the project; Parking study requested

2002 Feasibility Study

- What meeting space does Augusta offer and how is it being used?
- How does Augusta compare to its competition?
- What are the needs of the convention industry?

Feasibility Study

- How well does Augusta satisfy these needs?
- If the industry's needs were met, would they come to Augusta?
- What is required for Augusta to maximize its penetration of the convention industry?

Summary: Competition

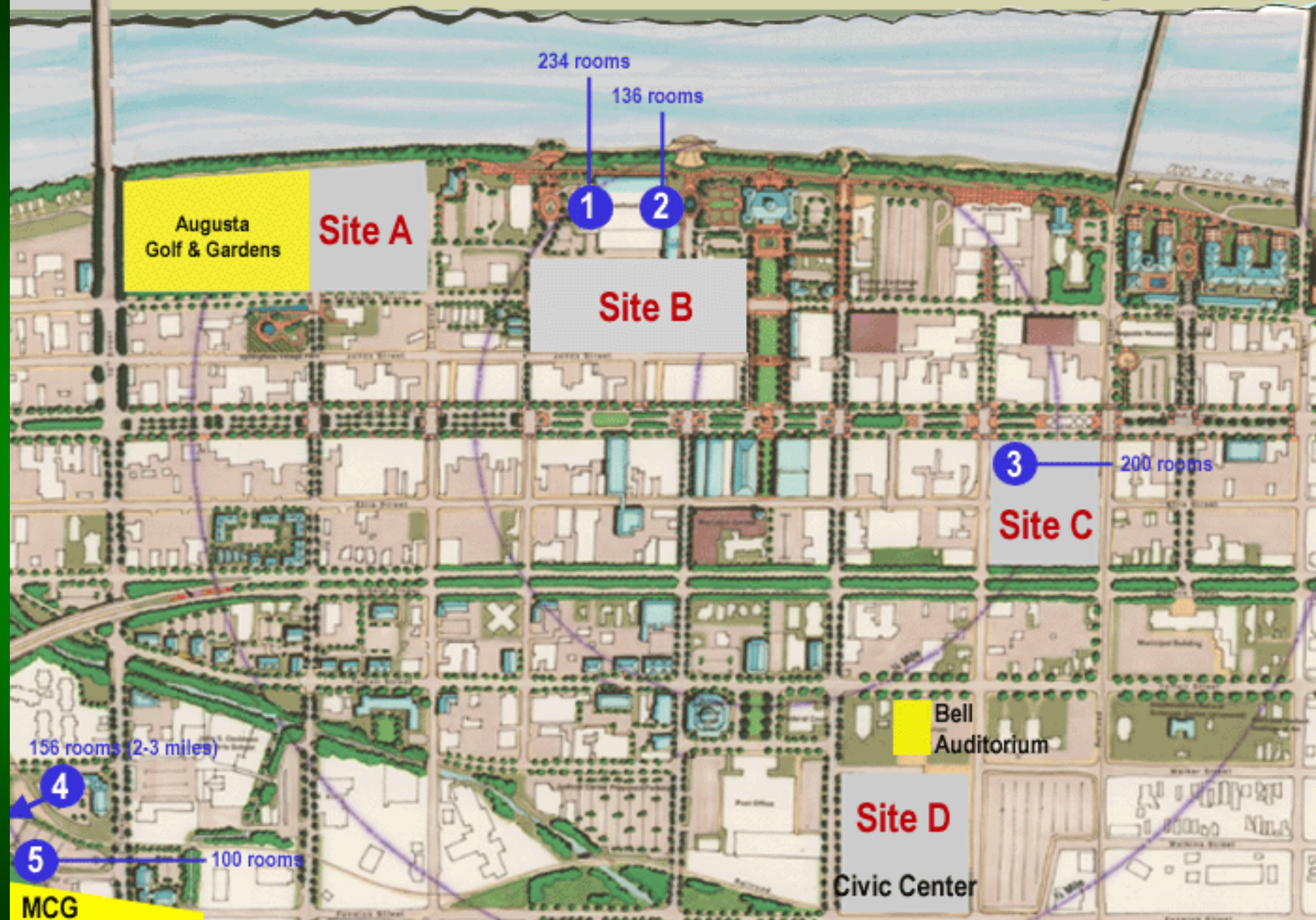
- Supply Side: Of the 13 In-State GA Comp's, Augusta Ranks:
 - 1st in Nearby Hotel Rooms
 - 4th in Meeting/Ballroom Space
 - Last in Exhibit Hall Space
- Competitors are Expanding Facilities & Attempting to Induce HQ Hotel Projects

Summary Conclusions

- Very good hotel space in proximity to meeting space
- Good meeting and ballroom space
- Poor exhibit space
- New exhibit space is needed and can be supported in Augusta
- Augusta faces strong competition

Summary: Industry Needs

- The River/Riverwalk is Augusta's most visited destination
- Meeting Planners prefer exhibit space under one roof with ballroom/meeting and hotel rooms
- What site location would maximize the likelihood of use?



Hotel 1: Radisson Riverfront

Hotel 2: Country Inn & Suites

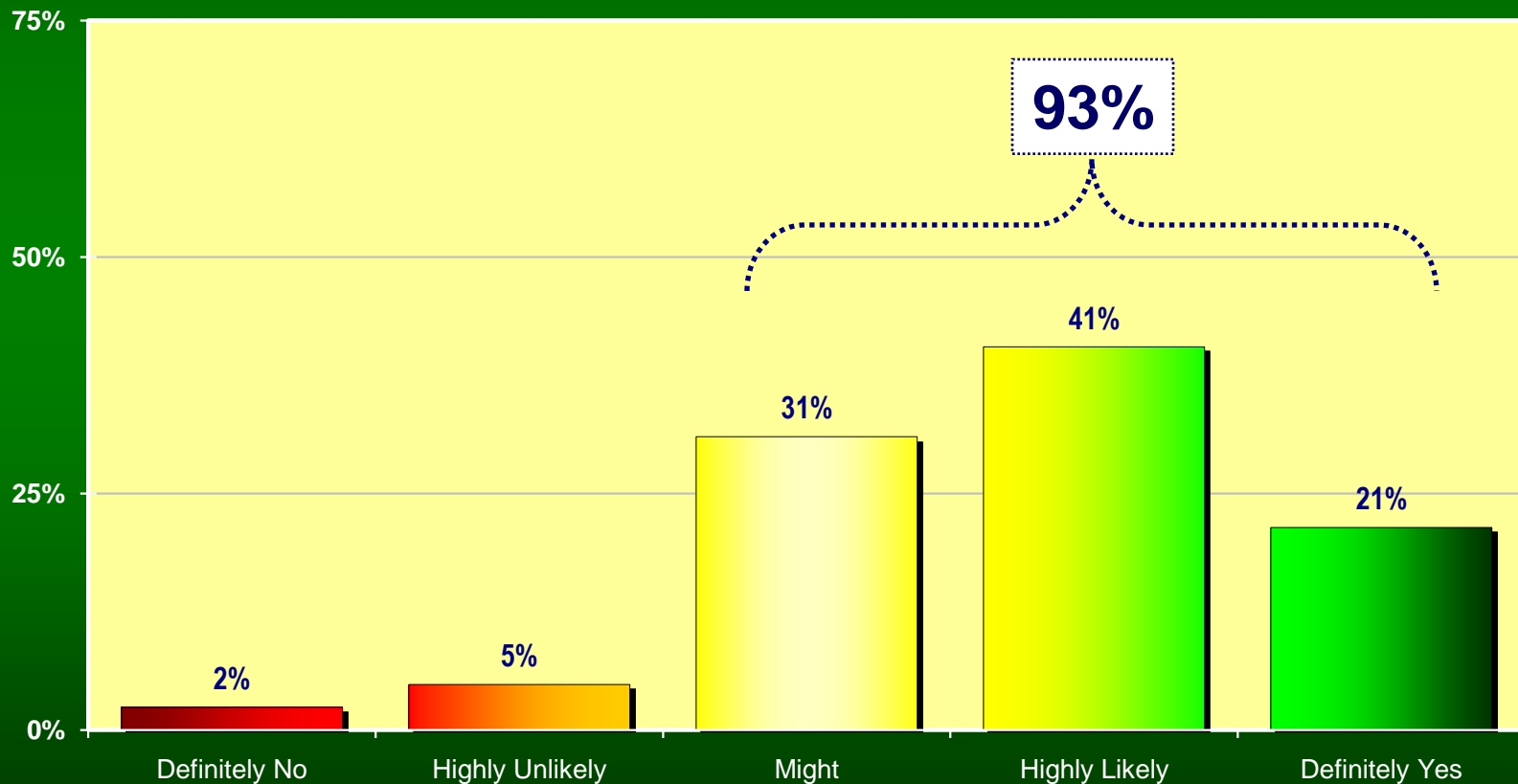
Hotel 3: Ramada Plaza Hotel

Hotel 4: The Partridge Inn

Hotel 5: Comfort Inn

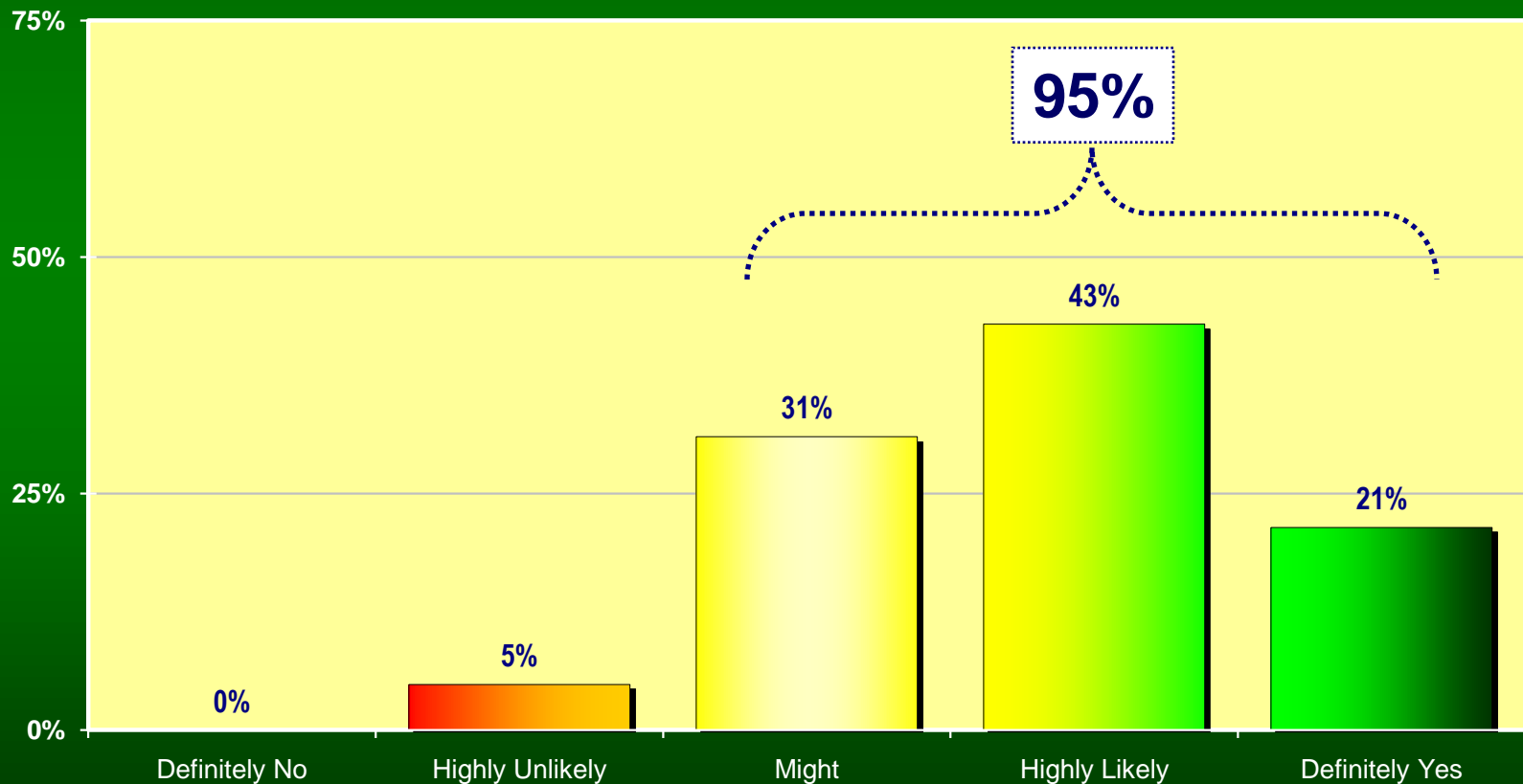
Riverfront - Site A

“Assume now that a new Center is built located a short walk from the Radisson and Country Inn & Suites (370 rooms) and next to the River. If the Center were located here, how likely would you be to consider hosting your event in Augusta?”



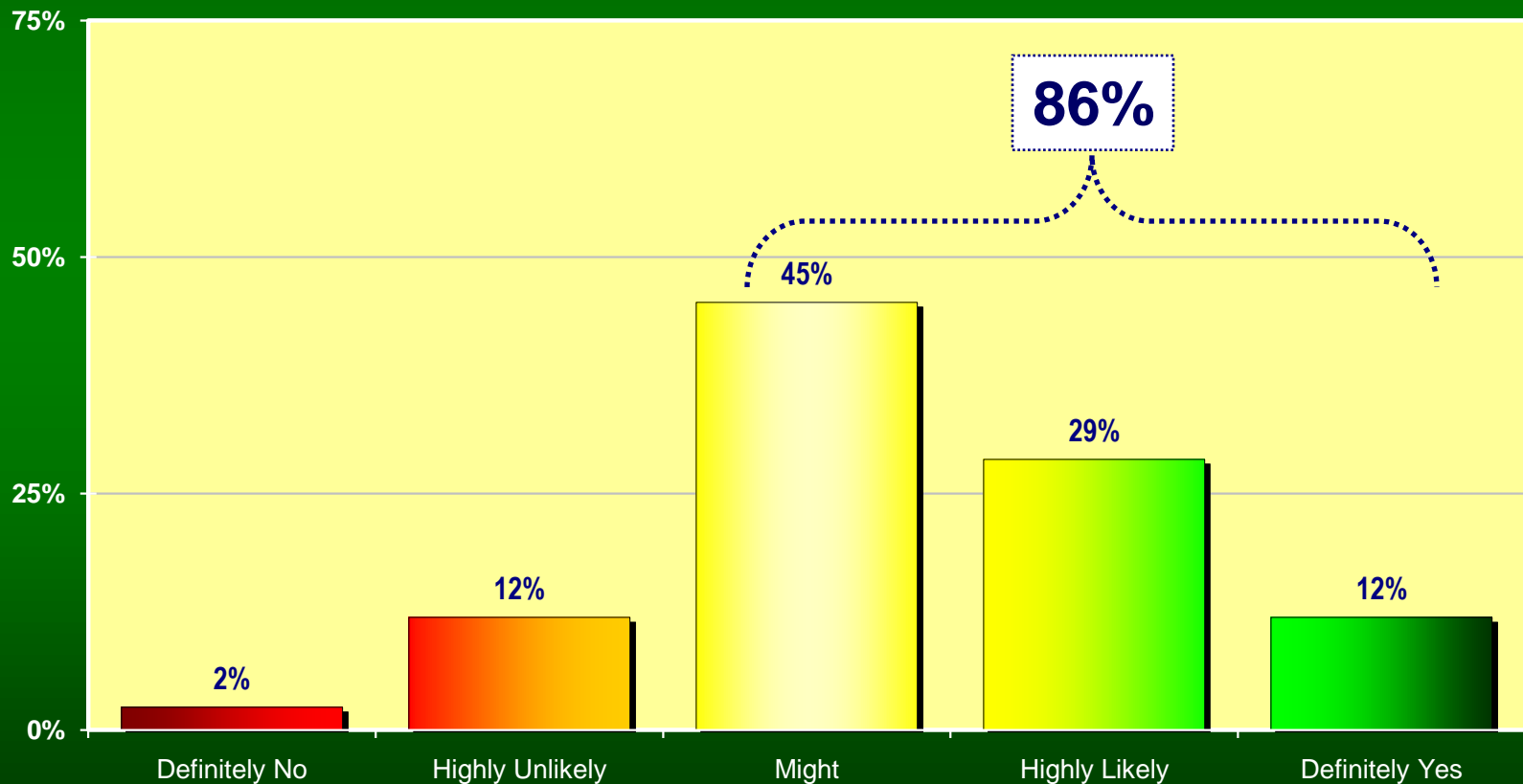
Reynolds - Site B

“Assume that the Center is built connected to the Radisson and Country Inn (370 rooms), still very close to the River and Augusta Commons. How likely would you be to consider hosting your event in Augusta?”



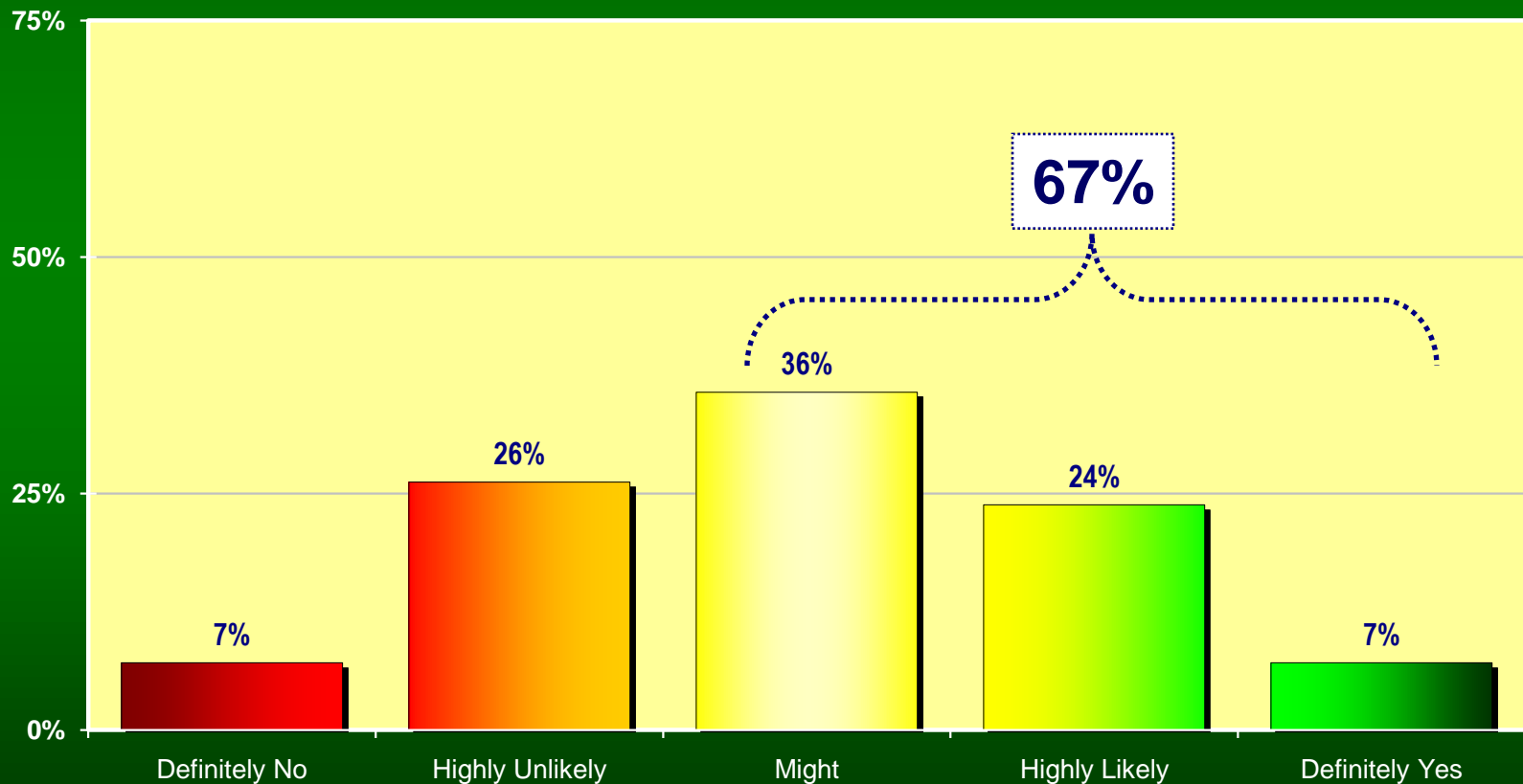
Ramada - Site C

“Assume that a Center is built adjacent to the existing Ramada Hotel on Broad Street, within walking distance to Riverwalk and Augusta Museum of History. How likely would you be to consider hosting your event in Augusta?”



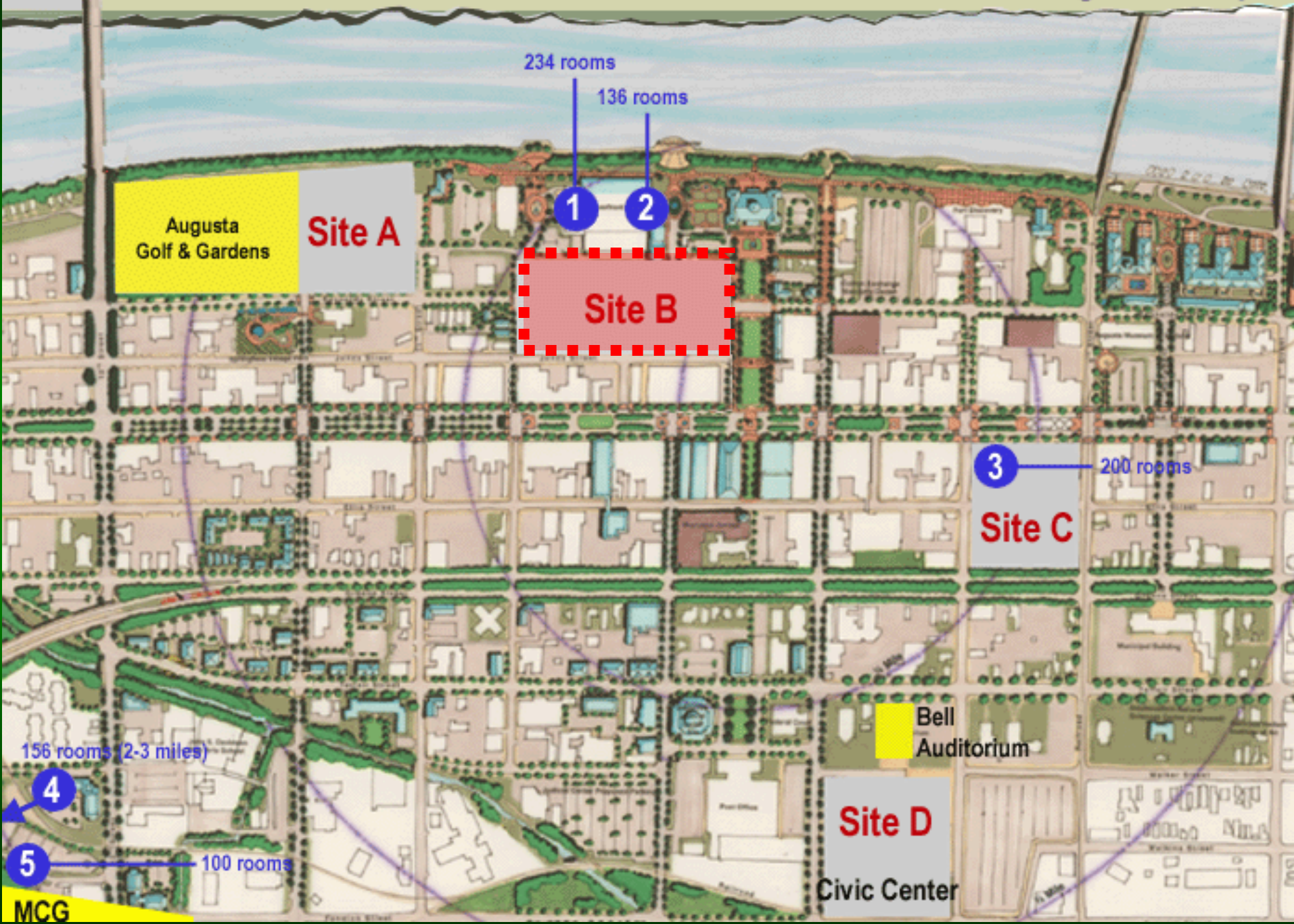
Civic Center - Site D

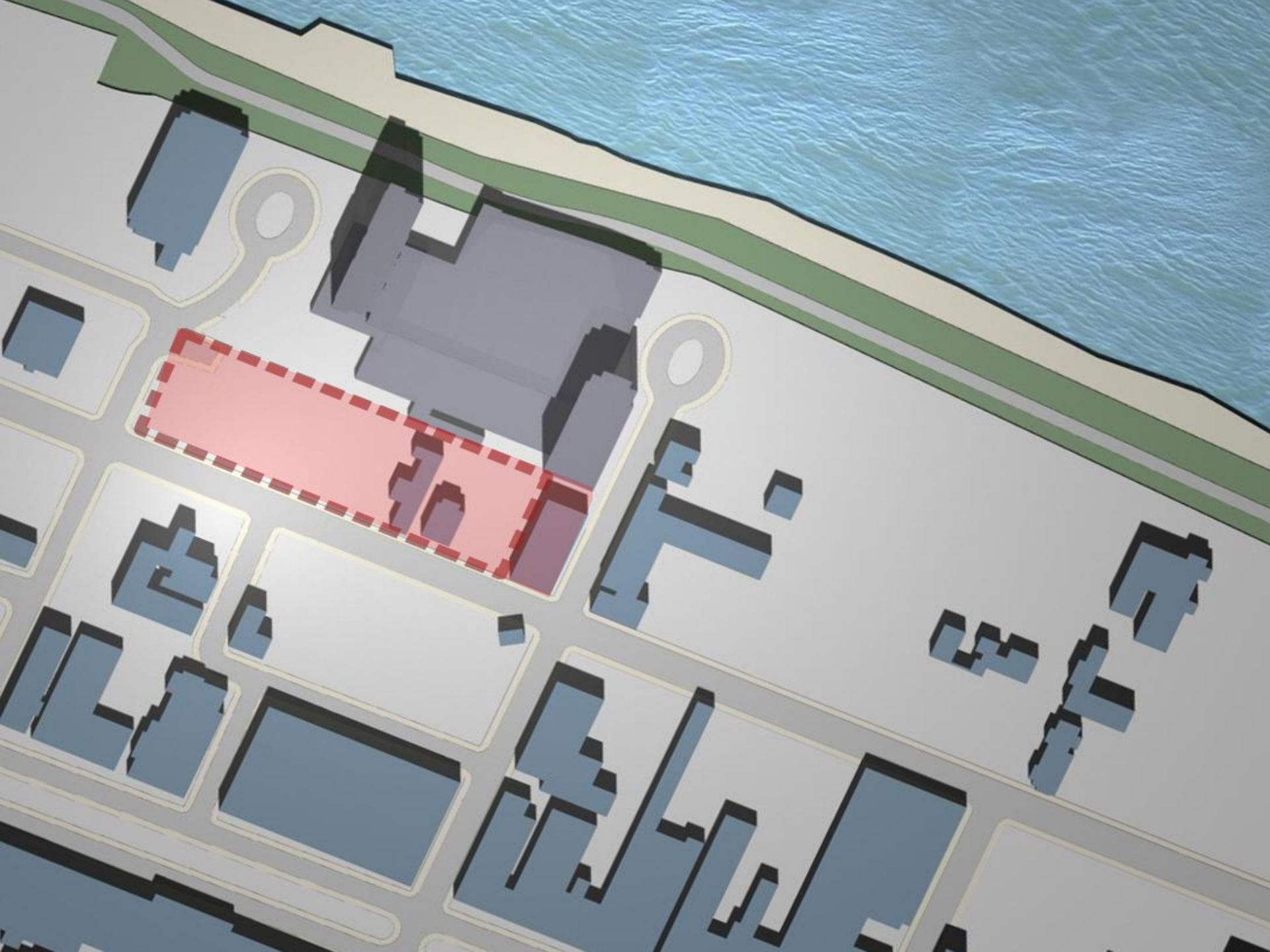
“Assume that a Center is built in the location of the existing Civic Center (on the southern end of downtown). How likely would you be to consider hosting your event in Augusta?”



Summary: Projected Use

Site	Market Potential	"Highly Likely" + "Def. Yes"
"As-Is"	41%	24%
Arena	57%	24%
Site A: Riverfront	93%	62%
Site B: Reynolds	95%	64%
Site C: Ramada	86%	31%
Site D: Civic Center	67%	31%
Site E: N. Augusta	51%	10%





Summary Conclusions

- Augusta currently attracts decent amount of event business
- From both Supply & Demand perspective, Augusta:
 - Very Good Hotel Space
 - Very Poor Exhibit Space
 - Adequate Meeting Space
- Target market reports that Augusta could be a more desirable destination if correct “package” were available
 - Reynolds site is most preferred

Summary Conclusions

- Most cost effective “package” is new exhibit space adjacent/attached to City’s existing Conference Center
- Augusta likely to face strong competition among 2nd tier GA convention markets
- Recommendation: 30,000 – 50,000 sq. ft. of exhibit space

Site: Customers

“Tradeshows often are the financial backing for a convention, the Trade Center must be together with the meeting space. I would never consider it (Augusta) if it’s not in the same building.....Conference attendees want to be where the action is, as in your Riverwalk and downtown, not in a removed location.”

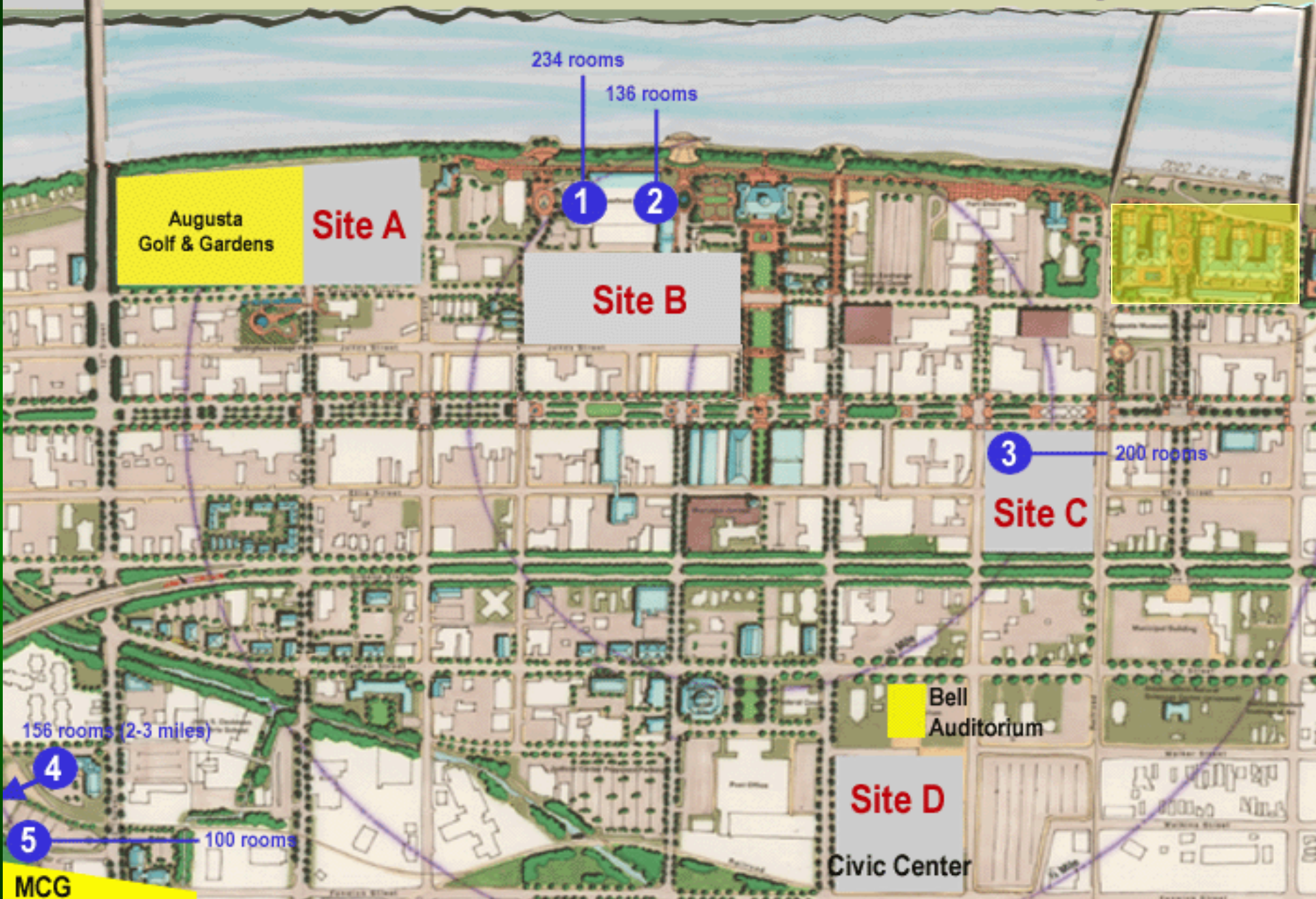
- Janice Eidson

Director, Conferences & Training

Georgia Municipal Association

2005/06 Site Evaluation

1. Riverwatch Pkwy – at I-20
2. Riverfront - GA Golf Hall of Fame site
3. Reynolds St. - connected to the City's Conference Center
4. Civic Center - James Brown Arena
5. Pension Property – Reynolds at 6th St.



156 rooms (2-3 miles)

4
5
100 rooms

MCG

Hotel 1: Radisson Riverfront Hotel 2: Country Inn & Suites Hotel 3: Ramada Plaza Hotel Hotel 4: The Partridge Inn Hotel 5: Comfort Inn

Alternate Site – Watermark (6th St.)

PROS

- New project
- Canal front location

CONS

- Competes with existing city-owned conference center
- Insufficient # hotel rooms at HQ hotel; overflow rooms require walk
- Little or no expansion options
- Lack of: Full-service hotel; meeting space; room block agreement; mgt agreement/fee; downtown/river location; parking
- No hotel developer interest
- Additional \$30m required

Alternate Site – Civic Center

PROS

- Attached to existing arena
- Expansion options

CONS

- Competes with existing city-owned conference center
- Low consumer demand
- Insufficient # hotel rooms at HQ hotel; overflow rooms require drive
- Lack of: full-service hotel; ballroom space; adequate meeting space; room block agreement; mgt agreement/fee unknown; downtown/ river location
- No hotel developer interest
- Additional \$30m required

Recommended Site – Reynolds St.

PROS

- Preferred location by customers
- Connected to city's conference center
- Adequate HQ hotel rooms
- ATI Master Plan
- completes "the package"
- Riverfront location
- Proven management history
- Room block agreement
- Expansion options
- Provides for greatest economic return potential; lower cost
- Premier facility in state and among competitors

CONS

Site: Hotel Developers

“Exhibition space (in Augusta) will not be successful without adjacent ballroom and meeting space, as well as an adjacent full-service hotel.....we believe that the most effective location for the exhibit space is adjacent to and connected to the existing meeting and ballroom space.”

- Noble Hotels

Recommended Site – Reynolds St.

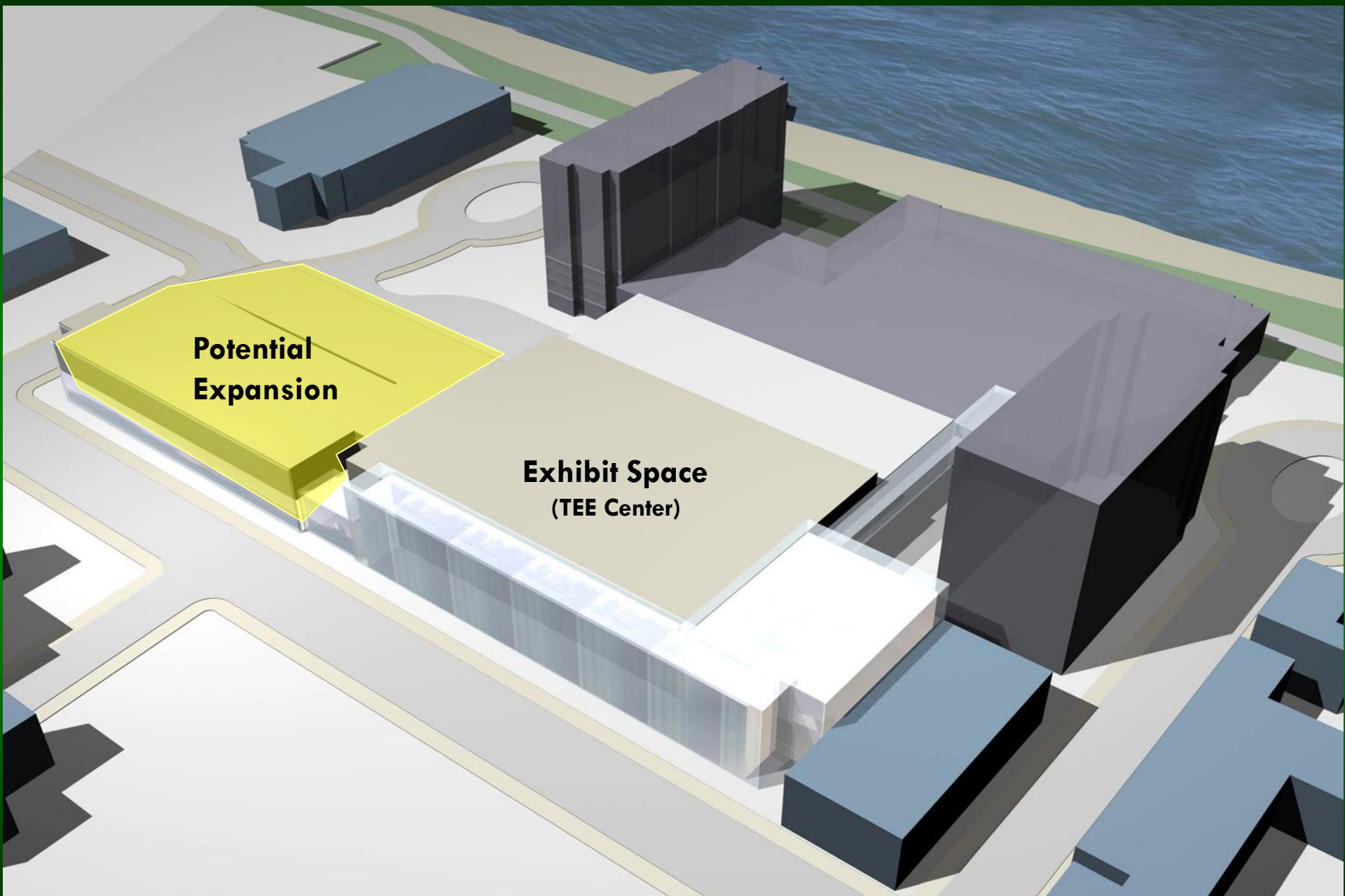
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CONS

RBA Basics

- RBA's were Created to Provide Cities with Guarantee of Achieving Economic Goals
 - Many cities subsidized convention center hotel projects and afterwards were denied access to the very hotel rooms they helped create (e.g.. Miami Beach)
- RBA's Allow the City (CVB) the Control it Needs to Attract Large, City-wide Events to a Community which Help All Hotels, Restaurants and Others
 - Larger events typically make destination selections years in advance



Area Competition (2005)

City	Hotel Attached	Facility Funding
Athens, GA	No	\$1,193,000
Chattanooga, TN	No	\$350,000
Columbus, GA	No	\$450,000
Columbia, SC	No	\$393,000
Dalton, GA	No	\$408,000
Macon, GA	No	\$600,000
Rome, GA	No	Tbd
Savannah (Trade)	Yes – not under one roof; managed independently	\$800,000

Impact Summary

- 630 new jobs
- \$1.4m state and local taxes during first year
- \$25m impact
- New money saves local tax payers
- Stimulate the economy
- Lost business – \$1,000,000 impact per month

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- New money saves local tax payers
- Stimulate the economy
- Lost business – \$1,000,000 impact per month
- New hotel - \$25 million in new construction and 60 jobs

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